(b) whether any requistion has been received from the State Government to supply wheat for distribution to the families Below the Poverty Line; and

(c) whether Government consider to allot wheat to the State for the above purpose on request?

THE MINISTER OF STATE IN THE MINISTRY OF CONSUMER AFFAIRS, FOODAND PUBLIC DISTRIBUTION (SHRIASHOK PRADHAN): (a) No. Sir.

(b) Yes, Sir.

(c) No, Sir. the BPL allocation to States is based on approved poverty estimates of the Planning Commission worked out on the basis of an entitlement of 25 kg per family per month. The request of the State Government is for an additional wheat allocation without any reducation in the allocation of rice. This would be beyond the entitlement of the State. Increase in the allocation of foodgrains for BPL families in respect of a particular State cannot be considered in isolation.

Complete Decontrol of Sugar

815. SHRI NAGENDRA NATH OJHA:

SHRI J. CHITHARANJAN:

SHRI RAJNATH SINGH "SURYA":

Will the Minister of CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION be pleased to state:

(a) whether it has been decided to resort to complete decontrol of sugar Industry;

(b) if so, the reasons therefor;

(c) whether any time frame has been fixed for this prupose;

(d) if so, the details thereof;

(e) the steps already taken, if any, in this direction; and

(f) details of the new policy in this regard?

THE MINISTER OF STATE IN THE MINISTRY OF CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION (SHRI V. SREENIVASA PRASAD): (a) Yes, Sir.

(b) to (f) The High Powered Committee on sugar industry recommended, *inter-alia*, decontrol of sugar. The recommendations of the Committee relating to decontrol of sugar and the gist of the Government decision thereon are indicated below:—

Recommendation Nos. 3 to 6

Recommendation No. 3: The Committee recommends complete decontrol of sugar, decontrol may, however, be phased over a period of two years. From the beginning of the Sugar Season following the date of announcement of the policy, the percentage of levy sugar may be reduced to 20% which may be continued at the same rate during the next Sugar Season and from the beginning of the subsequent Sugar Season the levy may be completely abolished.

Recommendation No. 5: Spply of sugar through PDS may be discontinued when complete decontrol becomes effective. The subsidy at present allowed in supply of sugar through PDS can be distributed among the beneficiaries by adding to the subsidy at present allowed on foodgrains.

Recommendation No. 6: If Government wishes to continue sugar under PDS, the required quantity may be purchased from industry/trade by tendering or at fixed prices from the Mills. Additional subsidy outgo would be offset by higher excise collection on levy quota converted as free sale. If shortfalls still continue, the balance may be met by increasing excise duty to the required level.

Gist of decision on Recommendation Nos. 3,5 and 6:

"Government has already reduced the percentage of levy sugar from 40% to 30% with effect from 1.1.2000. Government cannot agree on any time frame for further decontrol as recommended by the Committee as this depends upon the restructuring of the PDS of which sugar is an essential part. Further reduction of levy percentage and alternative methods of meeting the requirement for distribution of sugar under the PDS are all linked to the restructuring of PDS."

Recommendation No. 4: Control on releases should continue even after complete decontrol of prices.

Gist of decision on Recommendation No. 4:

"The Mahajan Committee has made a distinction between decontrol of the sugar industry and decontrol of prices, the latter being restricted to the system of levy obligation from the sugar mills. Government does not accept the recommendation that control on releases should continue without any time limit. Government is committed to phased decontrol of sugar industry and that the process of phased decontrol will have to be effected in a manner so as to avoid any destabilization of the sugar industry and the prices and should be accompanied by a number of steps including establishment of a foward/future market for sugar to achieve long term price stabilization."

In the light of the above decisions of the Government, the levy obligation, which was reduced from 40% to 30% with effect from 1.1.2000, has been further reduced to 15% and 10% with effect from 1.2.2001 and 1.3.2002 respectively. Now, the Government has decided to effect complete decontrol of sugar after operationalisation of futures/forward trading in 2002-2003 financial year.

Allocation of foodgrains under Antyodaya Anna Yojana

816. SHRI K. RAHMAN KHAN: Will the Minister of CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION be pleased to state:

(a) the details of foodgrains allocated to various States under the Antyodaya Anna Yojana and other Central Schemes for BPL, SC/ST, Schools, Old age homes etc;

(b) whether the Government of Karnataka has requested to increase its quota under the above said schemes; and

(c) if so, the details of the action taken or proposed to be taken in the matter?

THE MINISTER OF STATE IN THE MINISTRY OF CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION (SHRI ASHOK PRADHAN): (a) THe details of foodgrains allocated to various States/UTs under Antyodaya Anna Yojana (AAY), Below Poverty Line (BPL), Above Poverty Line (APL), SC/ST/OBC Hostels, Mid-Day Meals (MDM), for Old Age Homes/Destitutes/ Emergency Feeding Programme, Food for Work (FFW), Sampoorana Gramin Rojgar Yojana (SGRY), Nutrition Programme (NP) and Annapurna scheme during 2001-2002 are given in the Statement enclosed. (*See* below)